



NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

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February 27, 2014

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Notice of *Ex Parte* Communication, MB Docket No. 09-182 (2010
Quadrennial Review), MB Docket No. 07-294 (Diversification of
Ownership)**

Dear Ms. Dortch:

On February 26, 2014, the undersigned Executive Director and General Counsel of the National Association of Black Owned Broadcasters, Inc. ("NABOB") met with Commissioner Mignon Clyburn and Adonis Hoffman, Chief of Staff to Commissioner Clyburn.

In the meeting, I explained NABOB's view that the continuing decline in minority broadcast ownership needs to be addressed in the Commission's Quadrennial Review. I pointed out that less than ten years ago there were 21 full power commercial television stations licensed to African American controlled companies in the United States, and today there are only three. Moreover, of those three stations, two were just recently acquired and are being operated pursuant to Joint Sales Agreements ("JSA") and Shared Services Agreements ("SSA"). Therefore, there is only one full power commercial television completely operated by an African American owned licensee.

The fact that there are so few African American owned television stations is a sad commentary on the state of diversity in the broadcast industry and calls

for action on the part of the Commission to improve this abysmal ownership situation.

I pointed out that the situation has caused NABOB to reconsider its previous position on JSAs and SSAs. I explained that NABOB has always opposed JSAs and SSAs, because they appeared to be mere gimmicks for group licensees to avoid the intent of the local ownership rules. However, NABOB and the Commission are faced with an unfortunate fact. Two of the three full power television stations licensed to African Americans are being operated under JSA and SSA agreements. In addition, given the precipitous fall-off of African American television ownership in the past few years, and the accelerating pace of consolidation that has roiled the television industry in recent months, there is no reason to be optimistic that the number of African American owned television stations is going to appreciably increase in the near future without some serious rethinking of the Commission's policies.

The Commission has indicated that it might treat all JSAs and SSAs as attributable and require that existing JSAs and SSAs be dissolved over some fairly short time period. However, if the use of JSAs and SSAs is the most likely opportunity for short term growth in the minority ownership of full power television stations, the Commission should consider whether to modify its treatment of JSAs and SSAs such that they might better operate to promote the Commission's long term goal of creating meaningful minority ownership opportunities in the broadcast industry.

To this end, I suggested that the Commission look at JSAs and SSAs on a case-by-case basis to see if they have the potential to promote diversity of ownership or other important Commission policies. If so, the Commission could place conditions on such JSAs and SSAs such that these agreements would be structured to enable the licensee of the station to eventually operate the station without the need for a JSA or SSA. In other words, the JSA or SSA would have clear steps in place that turned over full operation of the station to the licensee over time. For example, the JSA or SSA might be structured such that at predetermined periods, perhaps annually, the licensee and the JSA or SSA operator would file a progress report with the Commission reporting on the operational changes that have occurred in the reporting period that have turned over specific responsibilities to the licensee, and the licensee would identify the personnel and other enhancements it has made to the station to take over these responsibilities.

In this arrangement the JSA or SSA operator would be required to turn over full control to the licensee in a set period, perhaps five years. The annual reporting to the Commission should demonstrate that that licensee was making progress toward taking control. If the annual reporting failed to demonstrate that the licensee was making progress toward operating the station, the Commission could order an early termination of the JSA or SSA. In any event, whether the licensee had fully obtained the ability to operate the station over the five year period, the JSA or SSA would terminate at the end of that period.

I pointed out that this proposal would not have to replace the Commission's plan to treat JSAs and SSAs as attributable, but would work to obtain a waiver of the attribution rule for the JSA or SSA operator. Existing JSAs and SSAs that are not amended to contain the required structured turnover of operation to the licensee would be subjected to the Commission's contemplated

Ms. Marlene H. Dortch
February 27, 2014
Page 3 of 3

attribution rule and be dissolved over a much shorter period of time. Future JSAs and SSAs that did not have the structured turnover in place could be denied at the outset.

I noted that the Commission is looking to address the issue of JSAs and SSAs in the near future and suggested that such a proposal could be put out for public comment.

In accordance with Section 1.1206(b) the Commission's rules, this notice is being filed in the Commission's Electronic Comment Filing System.

Sincerely,

A handwritten signature in blue ink, appearing to read "James L. Winston", is written over the typed name and title.

James L. Winston
Executive Director and General Counsel

cc: Commissioner Mignon Clyburn
Adonis Hoffman